

Suburb Market Update

1st Half 2024



OVERVIEW

In Q4 2023, Hunter Valley* recorded a median house price of \$700,000 and a median unit price of \$561,000. This represents annual (Q4 2022 – Q4 2023) growth of 2.4% for houses and 13.3% for units. During this time Total sales declined, by -1.8% (to 224 sales) for houses and by -2.9% (to 33 sales) for units. There is a market undersupply in Hunter Valley*, as price growth is alongside less sales. Confidence has returned to Hunter Valley*, with properties in high demand, as cash rates start to stabilise. This suggests now is an ideal time for owners to transact, especially with the low number of ready-to-sell stock planned for development.

CHANGE FROM LAST YEAR HALF YEAR



	YEAR	HALF YEAR
HOUSE SALES	↓	↑
HOUSE MEDIAN PRICE	↑	↓
HOUSE RENTAL PRICE	↑	↔

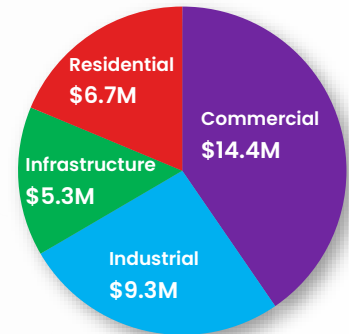


UNIT SALES	↓	↓
UNIT MEDIAN PRICE	↑	↑
UNIT RENTAL PRICE	↑	↑



FUTURE DEVELOPMENTS

Hunter Valley will see approximately **\$35.7M of new projects commencing in the 2nd half of 2023.**



A fairly well-spread of projects suggest that the local economy in Hunter Valley will continue to grow, creating local jobs and attracting more people to the area. This will have a spill-over to the real estate market, in the form of more housing demand.

There are two residential projects due to commence in the 1st half 2024:

- Banks Street Townhouses (\$4.6M) - 8 townhouses.
- 20 Gardiner & Kyle Streets Subdivision (\$2.0M) - 21 lots

Whilst these projects will assist with some demand, there is not enough satisfy all types of stock. The lack of new ready-to-sell houses will push prices up even further. Thus now is an ideal time for owners to capitalise on their investment.

New land lots does allow for buyers to build their dream home. However with the current construction issues there is likely going to be a delay in delivery and completion.



8 Townhouses



21 Lots



MARKET CONDITIONS

MEDIAN PRICE
Q4 2023



\$700K

SALES



\$561K

AVERAGE DAYS
ON MARKET Q4 2023



56 HOUSE



61 UNIT

MEDIAN PRICE
Q4 2023



\$580

RENTALS



\$460

AVERAGE DAYS
ON MARKET Q4 2023



23 HOUSE



21 UNIT



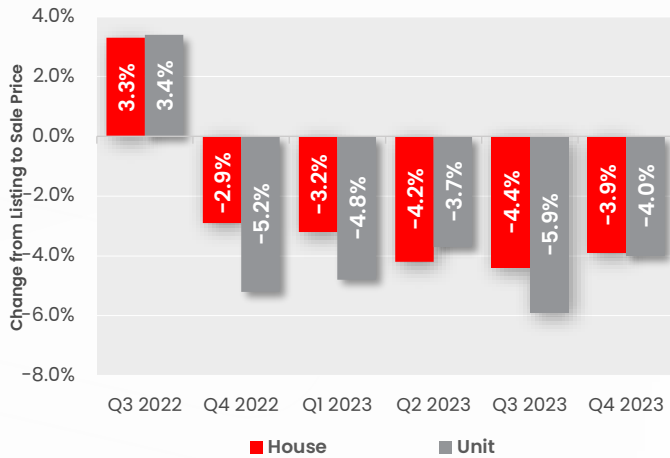
AVERAGE VENDOR DISCOUNT*

Average vendor discount reflects the average percentage difference between the first list price and final sold price. A lower percentage difference (closer to 0.0%) suggests that buyers are willing to purchase close to the first asking price of a property.

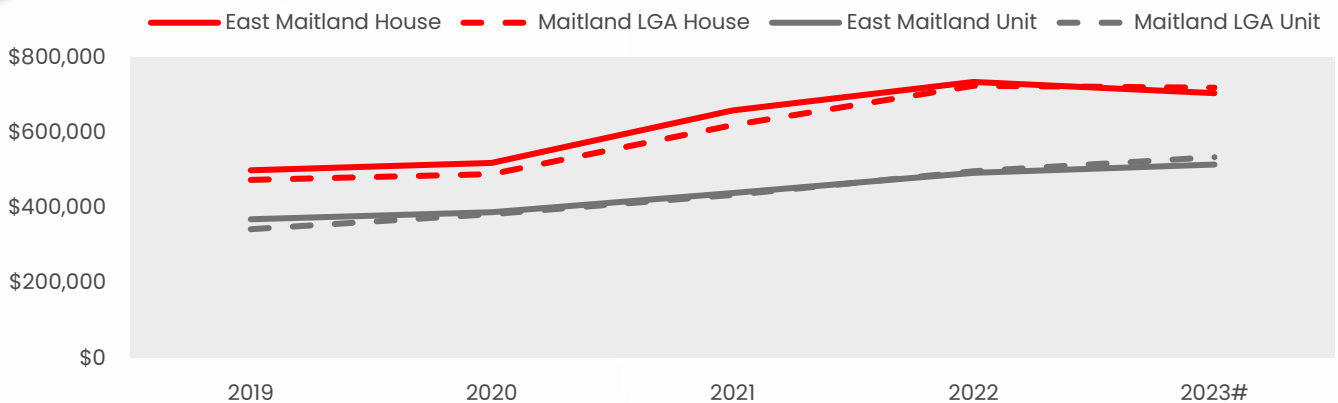
Average vendor discount between Q4 2022 and Q4 2023 have widened to -3.9% for houses and remained relatively stable at -4.0% for units. Hunter Valley* have favoured buyers for the past 12 months, as sellers are increasingly willing to accept an offer below the first list price. This is in contrast with early and mid-2022, when buyers had to offer a premium. With sale prices trending upwards, this creates a unique opportunity for sellers and buyers.

The suburb of East Maitland has historically been on par the wider Maitland LGA Local Government Area (LGA) in both house and land median prices. This trend has continued throughout 2023#, with both areas showing a slightly slower growth for the past 12 months.

The dominant proportion of homes sold in Hunter Valley* across 2023# were in the most affordable price point of less than \$699,999 (23.3%), while most of units sales were in the dominant middle-price point of between \$500,000 - \$599,999 (36.6%). Thus there is affordably priced stock available, in good news for buyers. The house premium market is growing, with 13.4% of sales above \$900,000.



MARKET COMPARISON

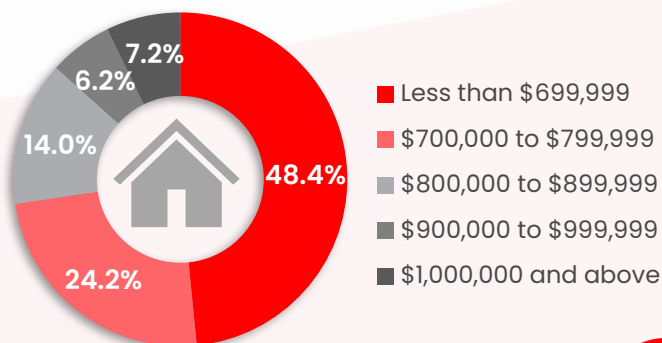


The market comparison graph provides a comparative trend for median price of houses and units over the past 5 years. The main LGA chosen was based on their proximity to the main suburb analysed, which is East Maitland.

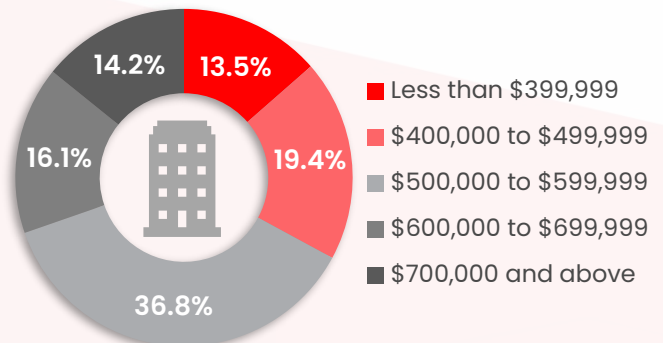


PRICE BREAKDOWN 2023#

HOUSES SOLD



UNITS SOLD





RENTAL GROWTH 2023€

House rental yields in Hunter Valley[‡] was 3.7% in December 2023, higher than Sydney Metro (2.8%). This was paired with a 3.6% median house price increase in the past 12 months to Q4 2023, to \$580 per week, and an -8.7% decline in the number of houses rented (to 221 houses). This suggest an undersupply in the house rental market, thus an opportunity for investors.

3 bedroom houses provided investors with +6.0% rental growth annually, at \$620 per week.

The Hunter Region[‡] recorded a vacancy rate of 1.4% in December 2023, slightly below Sydney Metro's 1.7% average. Vacancy rates in Hunter Valley[‡] have increased steadily over the past 12 months, due to investors re-entering the market and capitalising on tight vacancy rates. That said a 1.4% vacancy rate is still below the Real Estate Institute of Australia's health benchmark of 3.0%, thus suggesting quicker rental occupancy in The Hunter Region[‡]. These key indicators create a conducive and sustainable environment for investors, despite the increase in median sale prices of property over the past 12 months.

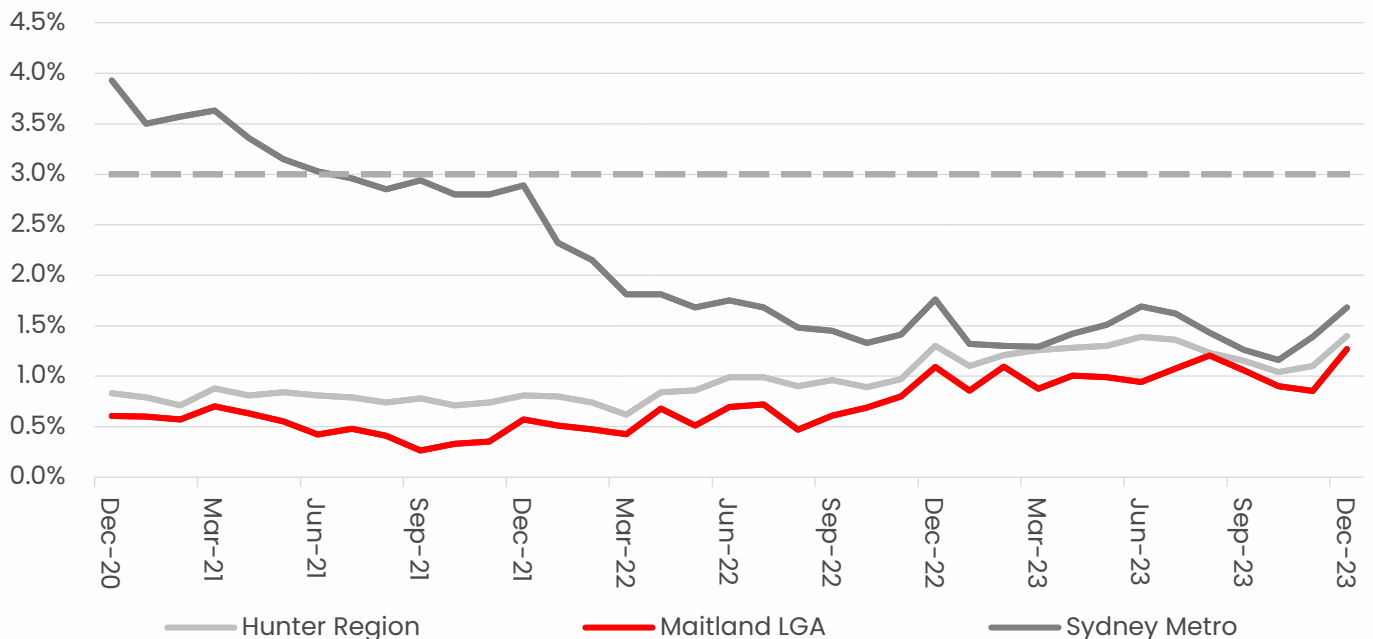
 2 BEDROOMS
+4.8%

 3 BEDROOMS
+6.0%

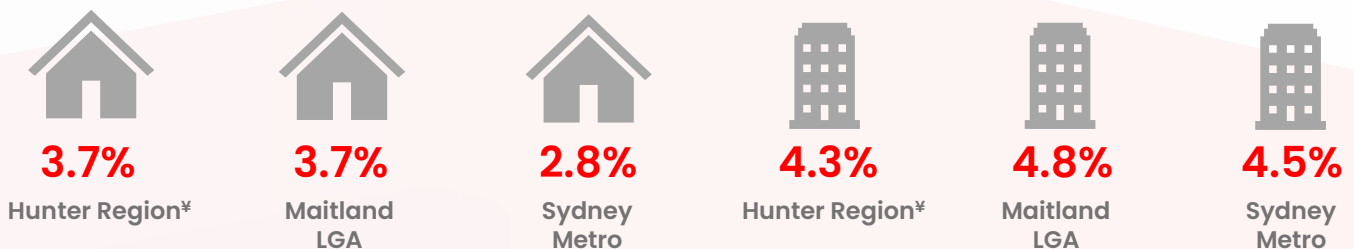
 4 BEDROOMS
+3.3%



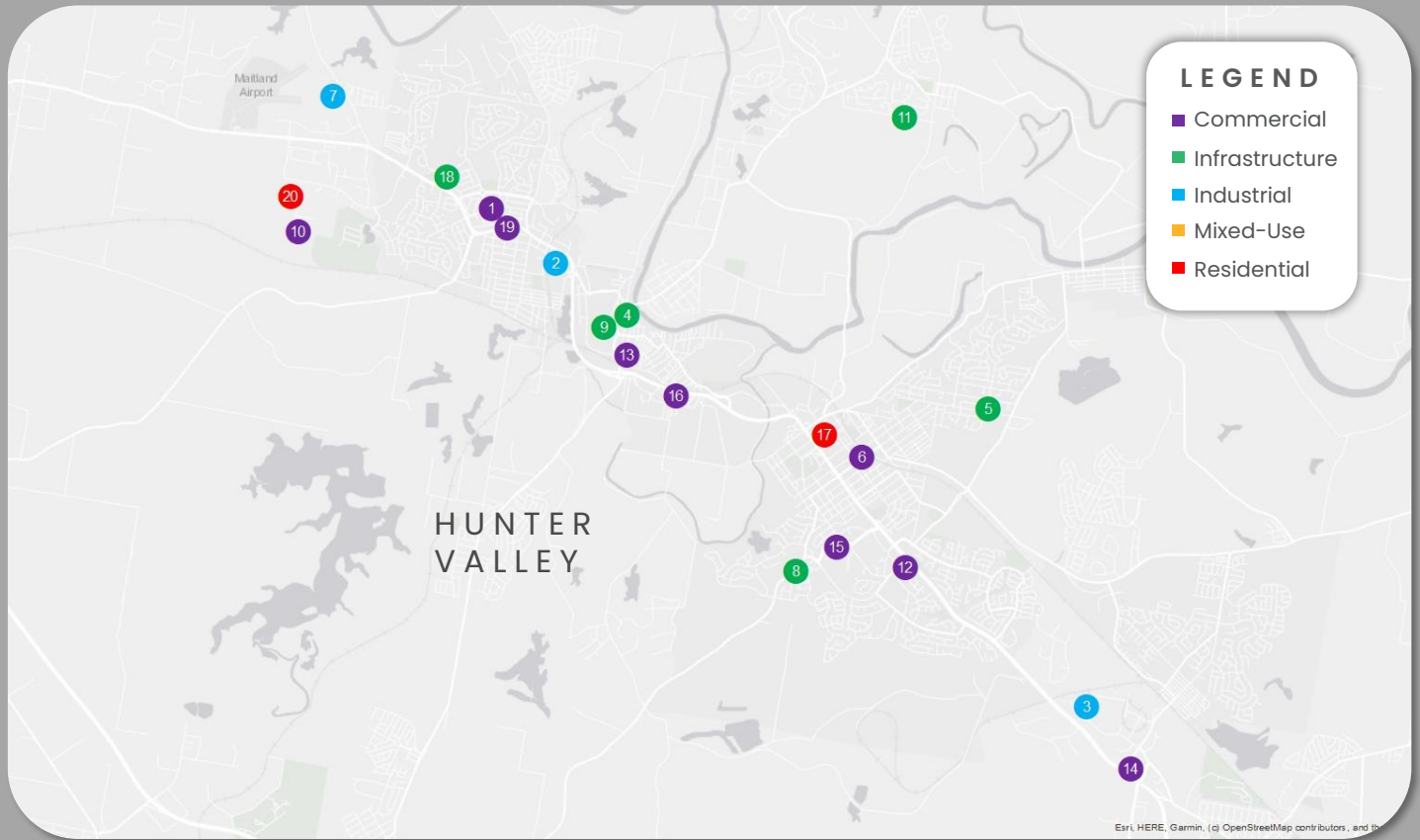
RENTAL VACANCY RATES 2023



RENTAL YIELD 2023§



PROJECT DEVELOPMENT MAP 1st HALF 2024^A



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the

#	Project ^ε	Type	Estimated Value ^μ	Commence Date ^ψ
1	3 Fairview Street Boarding House	Commercial	\$800,000	19/04/2024
2	10 Johnson Street Light Industrial Units	Industrial	\$1,447,000	02/06/2024
3	5 & 7 Kestrel Avenue Industrial Units	Industrial	\$7,046,000	03/04/2024
4	Spray Bituminous Surfacing Rejuvenation (Maitland City Council)	Infrastructure	\$750,000	08/05/2024
5	Goldingham Street & Government Road Footpath 2024 Package 1	Infrastructure	\$800,000	08/04/2024
6	Crest Financial Services East Maitland Office Building Conversion	Commercial	\$812,900	28/06/2024
7	Spitfire Place Warehouse Units	Industrial	\$838,700	16/04/2024
8	Maitland Resource Recovery Facility Weighbridge & Gatehouse Stage 2	Infrastructure	\$850,000	15/04/2024
9	Maitland City Council Roadworks Pavement Surface Rejuvenation & Enrichment Program 2023/24	Infrastructure	\$950,000	22/01/2024
10	73 Gardiner Street Office Building	Commercial	\$1,029,000	08/05/2024
11	Dalveen Road Roadworks Pavement Reconstruction	Infrastructure	\$1,204,773	12/02/2024
12	Maitland Private Hospital Alterations & Additions Ashtonfield	Commercial	\$1,500,000	16/04/2024
13	85 Church Street Boarding House	Commercial	\$1,600,000	16/06/2024
14	McDonalds Thornton Restaurant Alterations & Additions	Commercial	\$1,681,151	31/05/2024
15	28 Mitchell Drive Greenhills Medical Centre Conversion	Commercial	\$2,428,006	14/03/2024
16	5, 7, 9, 11 & 13 Louth Park Road Service Station	Commercial	\$3,066,124	14/03/2024
17	Banks Street Townhouses (8 townhouses)	Residential	\$4,646,150	04/06/2024
18	Norm Chapman Oval Footpath (Maitland City Council)	Infrastructure	\$700,000	22/04/2024
19	Ford Rutherford	Commercial	\$659,983	08/05/2024
20	20 Gardiner & Kyle Streets Residential Subdivision (21 lots)	Residential	\$2,030,000	28/06/2024

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RESEARCH SERVICES

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- Demographic and target market analysis
- Geographic information mapping
- Project analysis including product and pricing recommendations
- Rental and investment return analysis

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REFERENCES

- * Hunter Valley market data and key indicators encapsulates aggregate property market conditions within the suburbs of Aberglasslyn, Ashtonfield, East Maitland, Rutherford and Thornton.
- ** Estimated values are based on construction value provided by the relevant data authority and does not reflect commercial and/or re-sale value.
- # 2023 encapsulates sales transactions for all of 2023 (01/01/2023 – 31/12/2023).
- € Annual rental growth is a comparison between Q4 2022 (01/10/2022 – 31/12/2022) and Q4 2023 (01/10/2023 – 31/12/2023) house median rent figures.
- ¥ Hunter Valley market data encapsulates aggregate property conditions within the postcode of 2323.
- § Rental yields shown are as reported as of December 2023.
- Ⓐ Project development map showcases a sample of upcoming projects only, due to accuracy of addresses provided by the data provider for geocoding purposes.
- £ Projects refers to the top developments within the postcodes of 2320, 2321, 2322, and 2323.
- μ Estimated value is the value of construction costs provided by relevant data authority, it does not reflect the project's sale/commercial value.
- ψ Commencement date quoted for each project is an approximate only, as provided by the relevant data authority, PRD does not hold any liability to the exact date.

Source: APM Pricerfinder, Cordell Connect database, SQM Research, Esri ArcGIS.

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